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WORKERS' COMPENSATION FRAUD POSTER UPDATE

As we told you in the May edition of ISSUES, the Florida Legislature is now mandating that **all** Florida businesses post at their business a notice discussing fraud in workers' compensation. This requirement was included in Senate Bill 108, the controversial bill which eliminated construction exemptions for sole proprietors, partners, and officers of construction corporations working on commercial construction projects valued at \$250,000 or more. Senate Bill 108 required businesses to post this notice starting July 1, 2002, but the state Division of Workers' Compensation has only now finalized the wording of the notice.

As one of the important benefits to our members, FUBA is pleased to provide our members with these new fraud posters **free of charge**. Your poster is included in this mailing of October's newsletter. [If, for some reason, your poster is missing from this envelope, please call the FUBA offices at 1-800-262-4483, and we will mail a poster to you immediately.]

To be in compliance with this new requirement, simply post this 8 ½ x 11 inch, black and white poster in a conspicuous place at your business, alongside the "broken arm" poster that explains workers' compensation benefits to your employees. [You received this poster from FUBA when you joined.]

This new poster is intended to reduce fraud in Florida's workers' compensation system by encouraging people to come forward and report businesses who should have workers' compensation insurance but are breaking the law by not having it.

The text of the poster is simple: "\$25,000 Anti-Fraud Reward Program: Rewards of up to \$25,000 may be paid to persons providing information to the Department of Insurance leading to the arrest and conviction of persons committing insurance fraud, including employers who illegally fail to obtain workers' compensation coverage. Persons may report suspected fraud to the Department at 1-800-378-0445.

A person is not subject to civil liability for furnishing such information, if such person acts without malice, fraud or bad faith."

If you need additional posters, they are available for download at FUBA's website, www.fuba.org. Click on the Alert screen, and select new workers' compensation anti-fraud poster. Or, you can visit the Florida Department of Insurance's web site at www.doi.state.fl.us. Click on Workers' Compensation, then scroll down to "New Anti-Fraud Notice."

Each time the state or federal government requires a new poster or changes an old one, opportunistic and conniving poster companies respond by mailing out official-looking documents to small businesses, threatening them with penalties if they do not purchase expensive posters. These companies disguise their warnings as government mailings, but do not be confused: they are simply for-profit businesses seeking to scare small businesses into spending a lot of money needlessly.

One of the benefits of FUBA membership is free or low-cost posters. We let you know if something new is required or if a poster has changed. Disregard any notice you receive from a for-profit poster company. Please know that if you post this new fraud notice, which we have provided you free of charge, alongside your "broken arm" poster, you will be in total compliance with this new law. If you have any questions about this or any other poster requirement, please call the FUBA offices and ask for Karen, Lance or Stacey.

GREAT NEWS FROM TALLAHASSEE: FIRST DISTRICT COURT OF APPEAL STRIKES DOWN CONTROVERSIAL SALES TAX COMMISSION

As many FUBA members remember from the legislative Session earlier this year, Senate President John McKay (R-Bradenton), stymied in his efforts to impose the state sales tax on services, pushed through a proposal that would amend the Florida Constitution and radically endanger Florida's tax law. If the voters approved the measure this November, it would have created a 12-member commission made up of 6 state Senators and 6 state Representatives to review **all** \$23 billion of the current exemptions and exclusions from the state sales tax.

The commission would have the power to actually make law by changing Florida's tax code, without needing to get approval or ratification from the entire Legislature or by the Governor. A majority of the group – just seven members – would be able to repeal any exemption or begin taxing any particular service.

From the beginning, FUBA and other business groups opposed this plan of having only 7 elected officials deciding tax policy in the state of Florida. We believe the uncertainty that would result from this commission would be very hazardous to Florida's already shaky economic climate, and we believe that decisions on taxing services should be made by the entire Legislature, not just 7 people.

After reviewing its legal options, the Coalition to Protect Florida's Economy, of which FUBA is a member, filed suit to stop this measure from appearing on the November ballot.

On September 18, 2002, the First District Court of Appeal in Tallahassee agreed with our position and held that the proposed constitutional amendment had a misleading ballot summary and that the amendment itself flouted basic principals of democratic government by concentrating power in the hands of a few elected representatives. Then, on September 20th, the Florida Supreme Court essentially upheld the District Court's ruling striking the amendment from the ballot.

This is a great victory for small businesses in Florida, who already have a hard enough time complying with Florida's confusing sales tax code. Anyone who has been through a Department of Revenue audit can tell you that it is not easy to know the correct way to properly collect and remit the sales tax. FUBA will continue to oppose any measure to

force small businesses to either pay or collect the state sales tax on the services they provide. We are very relieved this controversial provision will not appear on the ballot next month. Thanks again to our many members who took the time to get involved in this issue during the Session.

FUBA MEMBERSHIP DUES INCREASE EFFECTIVE OCTOBER 1, 2002

Please remember that FUBA has increased our dues from \$50 to \$85 annually, for all members renewing their memberships on or after October 1, 2002. For twelve years, our dues remained constant at \$50 a year, but unfortunately, the rising costs of expenses out of our control (printing, postage, etc.) have forced us to institute a small increase. For a list of the many benefits of FUBA membership, please refer to last month's edition of this newsletter, or visit our web site at www.fuba.org.

REMEMBER TO SIGN UP FOR ELECTRONIC FILING OF SALES TAX AND UNEMPLOYMENT TAX

The Florida Department of Revenue is now enrolling businesses to use web-based options to file tax returns for state sales tax and unemployment tax.

No business will be required to purchase a computer or obtain Internet access to comply with the new law. Waivers from the new electronic filing requirements are available if your business does not have the appropriate technology.

You must report and remit taxes electronically by January 1, 2003:

- If your business collected more than \$30,000 last year in sales tax, and
- If your business had 10 or more employees in any quarter from June 30, 2001 to June 30, 2002.

To enroll and use the web filing tools, go online to the Department of Revenue's web site at www.myflorida.com/dor/dor and look for the Customer Information Bulletin item or "e-Services." For questions about obtaining a waiver from these requirements, please call the FUBA offices and ask for Karen or Lance.